

Message Text

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TO AMEMBASSY PORT AU PRINCE

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SUBJECT: SENATOR PROXMIRE STATEMENT ON TRANSLINEAR

FOLLOWING IS THE TEXT OF A SENATE SPEECH BY SENATOR WILLIAM PROXMIRE COMMENTING ON THE GOH RESPONSE TO TRANSLINEAR'S CHARGES BEFORE JOINT ECONOMIC COMMITTEE AND TO NEWSPAPER ACCOUNTS OF THE TESTIMONY:

QUOTE: MR. PRESIDENT, EARLIER THIS MONTH THE SUBCOMMITTEE ON PRIORITIES AND ECONOMY IN GOVERNMENT RECEIVED TESTIMONY ABOUT AN ATTEMPTED EXTORTION BY GOVERNMENT OFFICIALS IN HAITI FROM AN AMERICAN FIRM DOING BUSINESS IN HAITI. THE TESTIMONY WAS PART OF A HEARING INITIATED SOME MONTHS AGO ON THE SUBJECT OF "ABUSES OF CORPORATE POWER." THE PURPOSE OF THE HEARINGS IS TO INQUIRE INTO THE ECONOMIC RAMIFICATIONS OF IMPROPER PAYMENTS BY BUSINESS FIRMS IN FOREIGN COUNTRIES AND IN THE UNITED STATES.

IN ORDER TO PRESENT AN ASPECT OF THE PROBLEM THAT HAS NOT BEEN GIVEN MUCH ATTENTION, THE SUBCOMMITTEE INVITED THE EXECUTIVE OFFICERS OF A SMALL AMERICAN FIRM, TRANSLINEAR INC., TO TESTIFY ABOUT A SITUATION WHICH HAD COME TO THE SUBCOMMITTEE'S ATTENTION.

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THE CHAIRMAN OF THE BOARD OF TRANSLINEAR IS WILLIAM H. CROOK. MR. CROOK IS OUR FORMER AMBASSADOR TO AUSTRALIA AND HAS SERVED IN SEVERAL OTHER CAPACITIES IN THE GOVERNMENT WITH HIGH DISTINCTION. THE PRESIDENT OF THE COM-

PANY IS WILLIAM CARDEN.

DETAILED TESTIMONY OF EXTORTION ATTEMPT

AMBASSADOR CROOK AND MR. CARDEN TESTIFIED ON MARCH 2, 1976, IN GREAT DETAIL. THEY ALLEGED THAT ABOUT A YEAR AGO PERSONS WHO THEY BELIEVE ARE OFFICIALS IN THE GOVERNMENT OF HAITI APPROACHED MR. CARDEN WITH DEMANDS THAT TRANSLINEAR MAKE CASH PAYOFFS AMOUNTING TO \$500,000 AND, IN ADDITION, TRANSFER HALF OF THE STOCK OF THEIR FIRM TO UNNAMED INDIVIDUALS. FURTHER, IT WAS DEMANDED THAT TRANSLINEAR DISMISS THEIR ATTORNEY IN HAITI AND HIRE ANOTHER NAMED INDIVIDUAL. MR. GARDEN WAS TOLD THAT IF THE FIRM DID NOT SUBMIT TO THESE DEMANDS THE BUSINESS VENTURE WHICH TRANSLINEAR HAD BEEN PURSUING WITH THE GOVERNMENT OF HAITI FOR SEVERAL YEARS WOULD NOT RECEIVE FINAL APPROVAL AND WOULD GET PERMANENTLY BOGGED DOWN IN GOVERNMENT REDTAPE.

AMERICAN FIRM REFUSES TO MAKE PAYOFFS

AMBASSADOR CROOK AND MR. CARDEN MADE A DECISION WHICH APPEARS TO BE SOMEWHAT OUT OF TEMPER WITH THE TIMES. THEY REFUSED TO MAKE ANY PAYOFFS. INSTEAD, THEY IMMEDIATELY CONTACTED THE AMERICAN EMBASSY IN HAITI AND NOTIFIED IT OF THE REPORTED EXTORTION. THEY ALSO REPORTED THE INCIDENT TO OFFICIALS IN HAITI.

IT IS A SIGN OF THE TIMES THAT THE DISCLOSURE OF TRANSLINEAR'S REFUSAL TO SUBMIT TO EXTORTION AND PAY BRIBES WAS AN EVENT WORTHY OF ATTENTION BY THE NEWS MEDIA. THERE WAS CONSIDERABLE NEWS REPORTING OF THE TESTIMONY AND THE NEWS REPORTS WERE NOTED BY THE GOVERNMENT OF HAITI.

HAITIAN AMBASSADOR CRITICAL OF NEWS ACCOUNTS

ONE DAY FOLLOWING THE TESTIMONY THE AMBASSADOR TO THE UNCLASSIFIED

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UNITED STATES FROM HAITI, THE HONORABLE GEORGES SALOMON, ADDRESSED LETTERS TO THE EDITORS OF THE WASHINGTON POST AND THE NEW YORK TIMES CRITICIZING THEIR ACCOUNTS OF THE TESTIMONY.

ACCORDING TO AMBASSADOR SALOMON THE NEWS ACCOUNTS DID NOT ACCURATELY REFLECT WHAT WAS SAID IN THE HEARINGS.

AT THE REQUEST OF AMBASSADOR SALOMON I PLACED COPIES OF THE FULL TEXTS OF HIS LETTERS TO THE EDITORS, AND AN ADDITIONAL LETTER FROM THE UNDER SECRETARY OF COMMERCE AND INDUSTRY FOR HAITI TO MR. WILLIAM CARDEN, IN THE CONGRESSIONAL RECORD ON MONDAY, MARCH 22, 1976. SO AS TO LET THE SPOKES-

MEM FOR HAITI SPEAK FOR THEMSELVES, I MADE NO COMMENT
WHEN I PLACED THE LETTERS IN THE RECORD.

HOWEVER, I DO WANT TO COMMENT TODAY BECAUSE IN MY JUDGMENT
WHAT AMBASSADOR SALOMON HAD TO SAY IS AS REVEALING AS WAS
THE TESTIMONY OBTAINED BY THE SUBCOMMITTEE ON PRIORITIES
AND ECONOMY IN GOVERNMENT. FIRST, I WOULD LIKE TO SAY
THAT AMBASSADOR SALOMON IS IN ERROR WITH RESPECT TO THE
NEWS ACCOUNTS THAT APPEARED IN THE WASHINGTON POST AND THE
NEW YORK TIMES. BOTH ACCOUNTS, IT SEEMS TO ME, ACCURATELY
REFLECT THE TESTIMONY THAT WAS PROVIDED TO THE SUBCOMMITTEE.
AT THE CLOSE OF MY REMARKS I INTEND TO REQUEST THAT THE TWO
NEWS ARTICLES BE PLACED IN THE RECORD.

HAITI AMBASSADOR DISPUTES TESTIMONY

AMBASSADOR SALOMON DISPUTES THE TESTIMONY OF AMBASSADOR
CROOK AND MR. CARDEN. THE AMBASSADOR FROM HAITI MAINTAINS
THAT -

"THE ALLEGATION OF BRIBES IN THE MENTIONED CASE IS AN OUT-
RIGHT FANTASY APPARENTLY DIRECTED TO MISLEAD THE HONEST
OPINION IN CONGRESS AND THE PRESS AND TO PUT SOME KIND OF
PRESSURE ON THE GOVERNMENT OF HAITI TO ENTER INTO A DEAL
OR CONTRACT IT RESISTED AS SENSITIVE AND ENCROACHING UPON
THE SOVEREIGNTY AND PRIVILEGES OF THE NATION."

GOVERNMENT OF HAITI FAILS TO INVESTIGATE CHARGES
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TO UNDERSTAND THE SIGNIFICANCE OF THIS STATEMENT I SHOULD
POINT OUT THAT THERE IS NO EVIDENCE THAT THE GOVERNMENT OF
HAITI EVER INVESTIGATED THE INITIAL CHARGES OF THE ATTEMPT-
ED EXTORTION MADE BY TRANSLINEAR NEARLY A YEAR AGO. FOR
THE GOVERNMENT OF HAITI TO NOW CONCLUDE THAT THE ALLEGA-
TION OF BRIBES IS AN OUTRIGHT FANTASY, WITHOUT HAVING IN-
QUIRED INTO OR INVESTIGATED THE ALLEGATIONS WHEN THEY
WERE MADE IS ITSELF FANTASTIC.

THE SUBCOMMITTEE, OF COURSE, IS IN NO POSITION TO MAKE
FINAL JUDGMENTS ABOUT THE ALLEGATIONS. TO DO SO WOULD
REQUIRE AN IN DEPTH INVESTIGATION IN HAITI, INCLUDING
INTERROGATION OF WITNESSES AND THOSE WHO ARE ALLEGED TO

HAVE BEEN INVOLVED IN THE ATTEMPTED EXTORTION. ON THE
OTHER HAND, THERE IS MUCH CIRCUMSTANTIAL EVIDENCE TO SUP-
PORT THE TESTIMONY.

FACTS SUPPORT ALLEGATIONS

THE FACT THAT THE OFFICERS OF TRANSLINEAR IMMEDIATELY RE-
PORTED THE INCIDENT TO THE US EMBASSY, THAT THEY REPORTED

TO OFFICIALS IN THE GOVERNMENT OF HAITI, AND THAT THEY ALSO REPORTED THE ATTEMPTED EXTORTION IN A TELEGRAM ADDRESSED TO THE PRESIDENT OF HAITI, DATED JULY 16, 1975, A COPY OF WHICH WAS SENT TO AND RECEIVED BY OUR OWN STATE DEPARTMENT, ALL LEND GREAT WEIGHT TO THE CHARGES.

AMBASSADOR SALOMON ALSO STATED THAT -

"IN NO CASE AS INDICATED IN THE STATEMENT MADE AT THE HEARINGS, AN OFFICIAL OF THE HAITI GOVERNMENT HAS BEEN DIRECTLY OR INDIRECTLY INVOLVED IN BRIBES OR HAS ATTEMPTED TO SOLICIT IMPROPER PAYMENTS FROM TRANSLINEAR INC...."

I MUST TAKE ISSUE WITH THE AMBASSADOR'S STATEMENT. THE EVIDENCE PRESENTED TO THE SUBCOMMITTEE AND THE TESTIMONY PROVIDED BY AMBASSADOR CROOK AND MR. CARDEN DEMONSTRATE BEYOND ANY QUESTION THAT THERE WAS AN ATTEMPTED EXTORTION, WHICH WAS IMMEDIATELY REPORTED TO AUTHORITIES IN THE US UNCLASSIFIED

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EMBASSY AND TO GOVERNMENT OFFICIALS OF HAITI. AMBASSADOR CROOK AND MR. CARDEN ARE OF THE STRONG CONVICTION THAT THE EXTORTION ATTEMPT WAS MADE BY HAITI GOVERNMENT OFFICIALS.

NO BASIS FOR HAITI AMBASSADOR TO DISPUTE TESTIMONY

ON WHAT BASIS DOES AMBASSADOR SALOMON DISAGREE WITH THE EVIDENCE AND THE TESTIMONY? HE OFFERS NO FACTS, NO EVIDENCE, NOTHING TO SUPPORT HIS ASSERTIONS.

IN ANY SYSTEM OF JUSTICE THE REQUIREMENTS FOR FAIRNESS AND DUE PROCESS REQUIRE THAT SERIOUS ALLEGATIONS OF A CRIME BE TREATED SERIOUSLY.

AMERICANS DENIED DUE PROCESS

THE FACT THAT A CRIME IS ALLEGED BY BUSINESSMEN FROM A FOREIGN COUNTRY SHOULD MAKE NO DIFFERENCE. THE GOVERNMENT SHOULD INVESTIGATE THE CHARGES. THEY SHOULD NOT BE DISMISSED OUT OF HAND. EVERY INDIVIDUAL WHETHER HE IS A CITIZEN OR A FOREIGNER IS ENTITLED TO DUE PROCESS AND TO THE

PROTECTION OF THE LAW.

I DO NOT MEAN TO ENGAGE IN A QUARREL WITH THE GOVERNMENT OF HAITI. I ONLY WANT TO CALL ITS ATTENTION TO THE FACTS IN THIS CASE. TWO REPUTABLE BUSINESSMEN, ONE OF THEM A FORMER US AMBASSADOR, MADE SERIOUS CHARGES ABOUT AN ATTEMPTED EXTORTION ALMOST 1 YEAR AGO. THE CHARGES WERE NEVER INVESTIGATED. THE AMBASSADOR FROM HAITI, THEREFORE, HAS NO BASIS ON WHICH TO MAKE HIS CONCLUSION THAT THE IN-

CIDENT NEVER OCCURED OR THAT IF IT DID OCCUR HAITIAN
GOVERNMENT OFFICIALS WERE NOT INVOLVED.

AMERICAN INVESTMENT EXPROPRIATED

THE FACTS ARE THAT FOLLOWING THE COURAGEOUS DECISION ON
THE PART OF AMBASSADOR CROOK AND MR. CARDEN TO DEFY THE
DEMANDS FOR IMPROPER PAYOFFS, THE THREATS AGAINST THEM
MATERIALIZED. THEIR BUSINESS VENTURE DID GET BOGGED
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DOWN IN REDTAPE. IT WAS SHIFTED FROM MINISTRY TO
MINISTRY. NEGOTIATIONS WERE SUSPENDED, THEN RESUMED
AGAIN, AND THEN TERMINATED. THEIR INVESTMENT AND THEIR
PROPERTY IN HAITI HAS BEEN, IN EFFECT, EXPROPRIATED.

BECAUSE OF THE LONG DELAYS, TRANSLINEAR SEEMS TO HAVE
LOST THE APPROXIMATELY \$3 MILLION IT INVESTED IN ITS PRO-
JECTS IN HAITI. SEVERAL HUNDRED THOUSAND DOLLARS WORTH
OF EQUIPMENT ALONE HAS BEEN ALLOWED TO ROT AWAY ON A SITE
IN HAITI TO WHICH TRANSLINEAR HAS BEEN DENIED ACCESS.

I MUST ALSO SAY THAT THE ACTIONS AND THE ATTITUDE OF OUR
STATE DEPARTMENT, PARTICULARLY THE EMBASSY IN HAITI, HAVE
SO FAR BEEN LESS THAN HELPFUL. I INTEND TO DISCUSS THIS
ASPECT OF THE CASE ON ANOTHER OCCASION.

THE POINT I WANT TO STRESS NOW IS THAT THE GOVERNMENT OF-
FICIALS IN HAITI FAILED TO OFFER THE PROTECTION OF THE LAW
TO AMBASSADOR CROOK AND MR. CARDEN. ON THE CONTRARY, THE
GOVERNMENT IGNORED THEIR PLEAS FOR HELP AND NOW HEAPS
INJUSTICE UPON INJURY.

I ASK UNANIMOUS CONSENT THAT A COPY OF THE TELEGRAM DATED
JULY 16, 1975, SENT BY AMBASSADOR CROOK TO JEAN CLAUDE
DUVALIER, PRESIDENT OF HAITI; COPIES OF NEWS ARTICLES
FROM THE WASHINGTON POST AND THE NEW YORK TIMES, DATED
MARCH 3, 1976 AND AN ARTICLE FROM THE BALTIMORE SUN DATED
MARCH 3, 1976, BE PRINTED IN THE RECORD.

THERE BEING NO OBJECTION, THE MATERIAL WAS ORDERED TO BE
PRINTED IN THE RECORD, AS FOLLOWS: (MATERIAL FOR THE
RECORD EXCLUDED). UNQUOTE. KISSINGER

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